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FOREIGN AGRICULTURE

March 1961



Brazilian sugarcane and coffee plantation

Wheat Export Outlook of Our Competitors
Latin America's Economy and Policies
The World Bank and Agriculture

To report and interpret world agricultural developments

FOREIGN AGRICULTURE

Vol. XXV • No. 3

March 1961

What People Eat

Not everyone appreciates statistics but when those statistics present a picture of world food habits they take on new interest and meaning. Such is the case with a new publication series of the Foreign Agricultural Service, "Food Balances in Foreign Countries." In four parts, they present food facts and figures covering 76 nations of Western Europe, the Far East, Latin America, and Africa and Western Asia.

Which foreign country heads the list of those best fed? Ireland, with average per capita food intake of 3,370 calories. Next, Denmark, 3,255 calories. Next, the United Kingdom, 3,200 calories. How about potatoes in Ireland? As a source of calories, they rank fifth—after grains, fats, sugar, and meat.

Which foreign country is poorest fed? Haiti, with average per capita food intake of 1,875 calories. Next, Bolivia, 1,880 calories. Next, Ecuador, 1,935 calories.

What do people eat in a country such as the Congo? Half their daily 2,650 calories comes from the starchy root, cassava. Next in importance, bananas and plantains. Third, pulses. Next, grains and vegetables. Meat, milk, eggs, animal fats, practically none.

How about India? Well over half the daily 2,050 calories comes from rice, wheat, and other grains. Next in importance, pulses. The rest of the average diet is made up of a variety of foods, with vegetables figuring prominently. Meat, fish, and dairy and poultry products are relatively scarce.

Cover Photograph

Two-wheeled carts drawn by ox teams are the common means of local transportation in this plantation area of Paraná, Brazil. As Dr. Anderson points out in his article on page 6, unimproved techniques of farming are one of the important problems facing Latin America.

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Growth Through Agricultural Progress

Foreign Agriculture is published monthly by the Foreign Agricultural Service, U. S. Dept. of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (Sept. 4, 1959). Yearly subscription rate is \$1.75, domestic, \$2.50, foreign; single copies are 15 cents. Orders should be sent to Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Loading wheat into the hold of a Great Lakes steamer from the terminal of the Manitoba Wheat Pool. Canada, like the United States, has a big crop to market this year and is stepping up its export program. Its exports have been running around 300 million bushels a year.



The Wheat Export Position Of Our Big Competitors

Five countries of the world—the United States, Canada, Argentina, Australia, and France—account for about 75 percent of the wheat entering world trade. Last year these five countries produced 32 percent of the world's 8.3 billion-bushel harvest, the second largest on record. Furthermore, their carry-over stocks at the beginning of the current marketing year (July 1, 1960, through June 30, 1961) amounted to a record of well over 1.9 billion bushels, making the world's exportable wheat supply the highest thus far.

Last year the United States also had its second largest crop on record, with a 240-million-bushel gain over that of the previous year. As a result, the total U.S. wheat supply for the current marketing year has been estimated at 2,683 million bushels, which is 11 percent above the 1959-60 total.

Exports will siphon off some of this increase. The forecast now is that foreign shipments in 1960-61 will reach 575 million bushels as against 512 last year. Not only are shipments expected to increase to the traditional dollar markets of Western Europe but sales under U.S. Government programs are expected to rise.

As for the other wheat-exporting

countries, the outlook varies somewhat. Two countries, Argentina and France, face poor export prospects because of adverse weather conditions in the growing season. The other two, Canada and Australia, are like the United States. Their 1960-61 wheat harvest produced bumper crops, adding to the already-high carryover stocks.

Foreign Agriculture, because of the competitive position of U.S. wheat and wheat flour exports, asked its agricultural attaché in each of these four countries to prepare a brief analysis of the situation there as it exists today and the remainder of this article is made up of their reports.

Argentina Faces Poor Export Prospects

Argentina's wheat export outlook for 1961 is pessimistic—only about 27 million bushels. The current crop, officially estimated at 147 million bushels, is the fourth poorest in 20 years, and the area planted the smallest in more than 50 years. Even if the 37 million bushels are exported, they will be only 43 percent of average annual shipments of the last decade.

Adverse dry weather conditions dur-

ing the normal May-July planting period curtailed sowing, and because of the poor soil moisture in the Central and Northern Zones, plant growth was spotty. Excessive rainfall in late September and early October brought about losses from septoria and rust, and toward the close of the growing period, frosts reduced quality and lowered yields. Only in south Bahia Blanca were conditions nearly normal.

With such uneven weather patterns, not only production but quality was affected. Much of the northern grain is lighter in weight than usual. Under these circumstances, the Grain Board decided to establish an additional grade, No. 4, so farmers could market all of their wheat more readily. Formerly, grade No. 4 rarely entered commercial channels in volume.

As might be expected, when the fact of the poor crop was confirmed, the grain industry offered suggestions on how best to meet the situation. Some millers are favoring an export quota system to assure adequate grain for processing. Other sources advocate a slow-down in international marketings until mid-1961 when the supply situation may be clearer.

Certainly during 1961 Argentina will not be as strong a competitor as previously. There is reason to believe, however, that the Argentine Government will encourage the planting of a greater wheat area this com-

ing May-July, but just what policies or programs the government may decide upon it is too early to say, and weather will be the most important factor. Perhaps one policy will be a further reduction in export retention measures, already cut from 20 to 10 percent several months ago. It would be surprising, therefore, if Argentina would not again be in a position to send considerably greater tonnages to export markets in 1962.

—DOUGLAS M. CRAWFORD

Australia Expects Record Wheat Crop for 1960-61

For the past 3 years Australia's wheat acreage has tended upward, reflecting lower returns from wool and a government-assured price for about 160 million bushels of wheat yearly. In 1958-59, production reached 215 million bushels, then the next year it dropped to 198 million. But for 1960-61, a year of excellent growing conditions generally, Australia expects to harvest a record crop of 250 million bushels from 13 million acres.

Last year Australia's exports totaled 124 million bushels, the fourth highest in 20 years. And because of these favorable exports, its year-end commercial stocks were reduced from 65 million bushels to 60 million. These stocks and the current excellent crop will provide about 225 million bushels for export or carryover in 1960-61. Thus, Australia is most anxious to repeat or better the favorable marketings of last year.

How was Australia able to export relatively large quantities of wheat and flour last year—and what are the prospects for 1960-61?

First, Australia produces mainly a soft white wheat similar to that grown in our Pacific Northwest. It may be easily substituted for European soft wheats, and in years of good crops in Europe, Australian sales tend to be reduced more drastically than do those of countries producing the hard wheats needed for blending. Conversely, in years when Europe's crops are poor, Australia is in a favorable position to make up the shortage of soft wheats. Consequently, during the past year Australia has sold heavily in Europe and the Middle East.

A second factor in increased sales is the competitive position of Australian flour in South and Southeast Asian markets. In recent years, European flour has undersold Australian in such markets as Malaya, Ceylon, and Indonesia. Then last year Australia negotiated with France and Germany to limit their shipments and followed this by trade agreements with the Asian countries for the sale of specific tonnages of flour. And the combination of these two factors plus continued wheat sales to Africa, India, Pakistan, Japan, and New Zealand resulted in the high level of 1960 sales.

As for 1961 prospects, Europe's poor crop in 1960 has substantially helped Australian sales and the outlook is reasonably bright for their continuation. Ceylon recently agreed to continue its purchases of 100,000 long tons of flour in 1961 and 1962. And in the early part of January the Australian Wheat Board announced wheat sales to Communist China amounting to 300,000 tons. Additional sales of 300,000 tons of wheat to Italy and 20,000 tons to Spain were also announced. Furthermore, the first export sale of Australian flour to Communist China in over 20 years was made known early in January. The Board was cautiously optimistic about additional sales of wheat or flour to Communist China.

If this current trend in exports continues, Australia's total shipments for 1960-61 should exceed the 124 million bushels shipped last year. Nevertheless, even exports at that level would result in the increase of year-end stocks by about 50 million to around 100 million bushels, one of the highest yet held by that country.

—JAMES H. BOULWARE

Canada's Big Wheat Surplus Continues To Increase

Canada, the world's leading exporter of commercial wheat, harvested 490 million bushels last year, of which about 300 million are expected to be exported. Thus Canada will find itself in the summer of 1961 with a carry-over of nearly 560 million bushels. But as is well known, Canada has had wheat surpluses for the past 7 years, during which time a 10-percent cut

in Canadian wheat acreage has occurred and exports have been maintained near the 300-million-bushel target level. Yet, if normal wheat crops are harvested during the next few years, the Canadian surplus will become even larger, unless more acreage reduction takes place or the government drastically steps up its export market program.

Canadian wheat acreage during 1951-55 averaged 25.2 million acres, while during 1956-60 it was 22.2 million. The Federal Government, in an effort to further reduce Prairie wheat acreage in recent years, has been urging diversification. Officials have been advocating more livestock production and now are studying how oilseeds, particularly rapeseed, can be made a more profitable and dependable crop to replace some wheat acreage.

The Canadian Wheat Board, the sole marketing agent for both domestic and export sales, which operates through established commercial elevator companies and grain brokerage firms, has the major responsibility of stimulating wheat and wheat flour exports. The Wheat Board during the past 7 years has been very active in promotion of export sales and has been carrying on three principal activities.

First, high-level Board officials periodically visit importing countries to stimulate interest in purchasing more Canadian wheat. Visits are made not only to traditional markets, the United Kingdom, Western Europe, Japan, and Latin American countries, but occasionally to the Soviet Union, Red China, and the East European satellite countries.

Second, the Board has been successful in inviting top-level wheat milling officials from many importing countries to visit Canada and to learn firsthand about the advantages of using high-quality Canadian wheat and also about the availability of lower-priced wheats if desired.

Third, the Wheat Board maintains three offices abroad—in London, Rotterdam, and Tokyo. Board representatives have been stationed in England and the Netherlands for several years, but the Japanese office opened just a few months ago. These officials not

only are salesmen but are on the job to check on the quality and condition of wheat arrivals and to learn whether the importer has any complaints.

The Federal Government held in Ottawa a 3-week export trade promotion conference in December, when 111 Trade Commissioners were called home to meet with industry representatives in an effort to stimulate export trade in Canadian products, including wheat and wheat flour. In addition, the government has granted credit for a few sales to further stimulate wheat and flour exports. An agreement was made with India and another with Pakistan whereby the payment was to be completed with interest in a 10-year period. Poland also was granted credit to purchase wheat on a 3-year agreement. For the past 3 years, Canada's export aid programs of wheat and wheat flour have averaged 12.1 million bushels out of the total average exports of 297 million, or about 4 percent of the total.

—FRED J. ROSSITER

Bad Weather Changes French Export Outlook

With a good wheat crop last summer, it looked for a while as though France would have about 50 million bushels of surplus wheat for export, about one-third to go to French North Africa and two-thirds to other countries. This would have been a little less than usual, for in exceptionally good years France has been able to export nearly 100 million bushels.

Recently, however, the picture has changed. Bad weather, with continued rains during the fall and early winter, has prevented farmers from seeding the usual acreage of wheat for next year. About 95 percent is usually fall-sown, but the area seeded by last January 1 was only 64 percent of normal, and it does not appear likely that the 1961 acreage will approach normal, even with increased spring sowings.

While it is still too early to estimate the 1961 wheat area, the outlook for a smaller 1961 crop will discourage exports from the 1960 crop in order to assure a larger carryover to help meet a possible shortage next year. Therefore, instead of exports of



Above, Australian officials weighing a sample of the new wheat crop. Right, modern grain elevator, Chauny, France.

Australian News & Information Bur.



French Cereals Office

50 million bushels this season, they may be reduced well below this figure, and this will automatically provide a greater opportunity for exports from the United States and other countries. (The continued wet weather reportedly has also reduced fall seedings in other West European countries.)

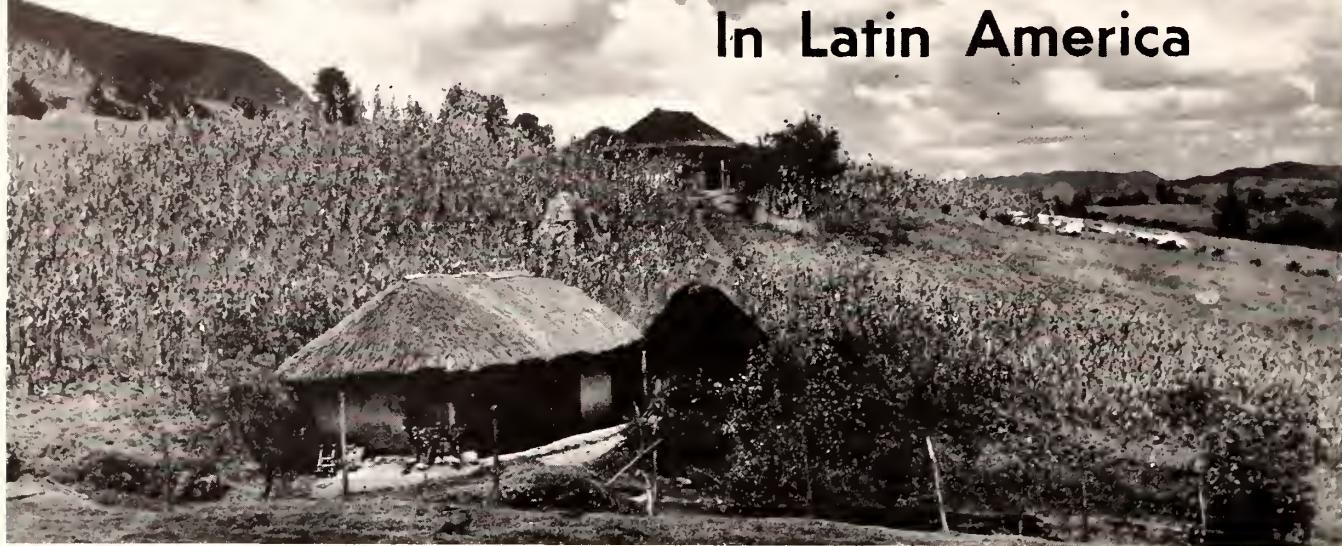
Examination of the data on French wheat production and consumption during recent years shows some interesting trends. During the past 8 years, France has produced an average of 361 million bushels of wheat a year, varying from 210 million to 425 million bushels. Fully one-fourth of the production is kept on the farm for seed, feed, and home use. About three-fourths, or some 265 million bushels, is usually sold, i.e., delivered, through commercial channels. Of this, about 178 million bushels are used for food, 16 million for feed, and 10 million for seed, waste, and so forth. Exports of wheat and flour have varied from 17 million bushels to 97 million a season, but have averaged around 61 million.

Although acreage has not increased significantly, production since 1953-54 has tended to increase at an average of about 2 percent a year as a result of increased yields per acre. However, in 2 of the past 8 years, bad weather has sharply reduced the

production of millable wheat. In the very cold winter of 1956 about half of the wheat acreage was winter-killed, and even with larger spring plantings, the 1956 crop was little more than half as large as usual, and about 60 million bushels of milling wheat had to be imported to meet the deficit. Also, in the summer of 1958, wet weather damaged the harvest, with the result that much of the wheat was not of millable quality, and again France had to import wheat—nearly 10 million bushels for milling.

(Continued on page 18)

Economic Conditions and Policies In Latin America



By WILHELM ANDERSON, Director
Foreign Agricultural Analysis
Foreign Agricultural Service

If a country aspires to raise the level of living of its people generally, it must undertake to produce a sufficient quantity of goods and services to be meaningful in the life of its people. Also, it must bring into being a large number of new consumers. They must enter the commercial stream and, for this to happen, productive employment must be widespread among the masses of the people. This is another way of saying that commercial markets arise only as economic development progresses—that the market in any country is determined largely by the number of people in the country and the per capita income of those people.

To relate these general observations to economic conditions as we know them in Latin America, the first thing to be considered is population. At the present time, there are about 200 million people in the 20 countries, and they are multiplying at a rate of almost 3 percent a year. For some countries the rate is even higher, so that in 15 years, with a continuation of this trend, there will be 310 million people in Latin America. (Today 5

countries have about three-quarters of the total population—Brazil, Mexico, Argentina, Colombia, and Peru.) Even if the growth rate should decline, we can be relatively sure the Latin American population will be considerably larger than that in the United States.

When we look at production and income, however, the comparison differs greatly. Although Latin America's total gross national product has risen over the past decade, even in real terms, the per capita increase is small, and the per capita level, low.

Taking data prepared by the Economic Commission for Latin America we find that, in terms of 1950 prices, gross national product for the 20 countries rose from \$40 billion in 1950 to \$59 billion in 1959, with an average growth of just under 5 percent a year for the 10-year period. On a per capita basis the rise was from \$256 to \$307, or an average growth of under 2 percent a year. This per capita growth rate has declined over the period, however, and from 1958 to 1959 there was an increase of less than one-half of 1 percent.

The average gross product per capita of around \$300 a year covers up a wide spread between countries, ranging from some \$60 to \$65 in Haiti to almost \$900 in Venezuela, with

Argentina about in the middle at \$540. Again, the spread is wide within a given country.

For all of Latin America, we estimate that only half of the people are purchasers of goods and services in any significant sense. The people in the other half produce what they consume and consume what they produce, most of them at the bare edge of subsistence. And they contribute little to the economic life of the area. The following percentages show the proportion of population estimated to be in the "commercial stream":

25 percent:	60 percent:
Haiti	Dominican Rep.
Paraguay	El Salvador
Bolivia	Mexico
40 percent:	70 percent:
Colombia	Argentina
Ecuador	Chile
Guatemala	Costa Rica
Honduras	Uruguay
Nicaragua	
Peru	
50 percent:	75 percent:
Panama	Cuba
Venezuela	
Brazil	

Weak Economic Growth

Since 1955, inflation, resulting largely from deficit spending and unfavorable balances of trade, has considerably weakened economic growth incentives for most countries. A slow-down in economic activity, accentuated by fall-

ing prices of export products, reduced per capita income and extended unemployment, especially in urban areas.

The external financial situation continues to be basically weak, but generally improved over that existing a couple of years ago. With the exception of Venezuela and Cuba, the remaining countries, by and large, added to their holdings of gold and dollar assets during the past 2 years. However, from 1950 to 1960 there was a steady decline in Latin America's proportionate gold and dollar holdings, as compared with all other countries, from 18 percent of the total to 10 percent this year. Internally, policies have contributed to substantial inflation in several of the countries.

Along with economic pressures that are developing at the top of the structure in Latin America, the 50 percent of the people at the bottom of the ladder are beginning to realize that there is a possibility of a better life than they have known up to now. Communications media are bringing word to these people that citizens of other lands are living better than they, that leaders in other parts of the world are promising that the masses too can share in the good life. Consequently, economic and social pressures are now developing at the bottom of the structure, and are making themselves felt in the political life of the area. Already we have seen the explosion of unfulfilled desires in Cuba, and there are intimations of massive discontent developing in other Latin countries, i.e., Guatemala, El Salvador, Venezuela, and Colombia.

Basic Problems

All of these pressures cause us to look anew at the basic problems of Latin America. The problem of agrarian reform is acute in many countries. Most of the nations have one-commodity economies and are heavily dependent on exports. Education, both general and technical, is sadly lacking throughout most of the area; and agricultural and industrial output is far below what is needed to provide substantial betterment of living standards.

As a part of the agrarian problem, for example, there are unimproved techniques of farming, low produc-

tivity of labor, meager agricultural credit, a low level of education among farmers, and archaic marketing systems. In many areas a feudal system of production still prevails, with land held in large blocks by an absentee land-owner, the farm run by a hired manager, and the land cultivated by peasants who have a bare subsistence.

With regard to their economies, Venezuela is tied primarily to petroleum. Bolivia depends heavily on tin, while Chile's economy rests on copper and nitrate. For the most part, the other countries depend on agriculture to supply their foreign exchange and to support many of their people. Even in these three countries the majority of the people are farmers.

In all of Latin America, agriculture accounts for one-quarter of the gross national product. Six countries of Latin America look to one crop—coffee—to furnish more than 50 percent of all export earnings; and in 3 others the banana is the crop that accounts for most of the export value. Argentina produces and exports grains, meat, and flaxseed, but also supplies exports of a variety of products of lesser total value. Mexico too has diversified its export earnings among a wide variety of products, although the main ones are cotton and coffee.

On the whole, the prices of these primary products have declined over the past several years, whereas prices of imported manufactured products have tended to rise. In coffee, for example, world production has been rising rapidly, stocks have been building up, and prices have been declining. With so much of the economy of so many countries dependent on this one crop, a hardship was felt throughout the Hemisphere.

Education is vital to any solution of other basic problems, for an appreciable increase in per capita production will not come from an illiterate population. By and large the countries with the highest rate of literacy are those that also have a high per capita gross national product. It is estimated, for example, that 90 percent of Haiti's people cannot read and write; on the other hand, 90 percent of Argentina's people can read and write. In Mexico, school attend-

ance is considered important, and has laid the groundwork for the technical training evident in Mexico's economy.

As for output, Latin America's growth in gross national product of around 5 percent annually since the war years has been considerably more rapid than that of most other underdeveloped areas. In fact, the average compares favorably with the growth rate in the United States—even allowing for the tremendous rise in Latin American population—and the level of per capita income is above that of many other underdeveloped countries. However, the level of per capita output in Latin America is only about one-seventh that of the United States. And even if total product there were to continue to rise at 5 percent a year and per capita output at close to 2 percent over the next 15 years the per capita product would not reach \$500 annually by 1975. Meanwhile, if U.S. production continues to grow at the recent per capita rate, by the end of 15 years there may be an even wider disparity in the per capita incomes of the United States and Latin America.

Agricultural output has tended to fall behind that of industry. Although total production of agricultural and livestock products has risen substantially over the past 10 years, it has only barely kept up with the population growth.

Capital Investment

By and large, those countries in Latin America in which investment has been heavily concentrated in machinery, equipment, power, and transportation have prospered more than those where the investment went largely into apartment dwellings and other city construction. The bulk of the savings going into investment there comes from domestic sources. From 1950 through 1958, about 85 percent came from domestic sources, both private and public, although in the last year of that period it probably fell to 75 percent; net capital inflow from other countries averaged \$780 million annually, with a high of \$1,730 million in 1957. About two-thirds was direct foreign private investment.

The largest source of foreign in-

vestment has been the United States. U.S. companies invested \$5 billion in subsidiaries and branches in Latin America between 1950 and the end of 1959, one-quarter of total investments in all countries. Their book value at the end of 1959 was \$8.2 billion, of which \$3 billion was in petroleum, \$1.4 billion in manufacturing, \$1.3 billion in mining and smelting, and \$1.1 billion in utilities. About 40 percent of this total went to Venezuela. More recently, Brazil has been receiving a major share of U.S. manufacturing investment. There is every likelihood that foreign capital must play an even greater role in Latin America over the next 15 years, if the trend of the past 2 years is to be reversed, and if Latin America is to increase its gross national product at the average rate of the past decade.

Latin American Policies

Economic, social, and political leaders in Latin America are not unaware of the problems that face the area, nor are they unaware of the potentialities that await it. For the most part, these leaders are from among the well-to-do and the landed gentry, groups that have benefited from maintaining the status quo, but even the most conservative among them are realizing that economic development and a wider distribution of the national product are political "musts."

Most of the larger and many of the smaller countries have development programs and schemes that aim at higher industrial and agricultural output. Most of them have agrarian reform laws on the books, and some are trying to implement them. Also, most of them are following their predecessors along the road to industrialization and are protecting newly organized industries by high tariff barriers and other restrictions on trade. Mexico, for example, has almost prohibitive duties on many of its products and is continually increasing its protection. Brazil revised its whole tariff schedule 2 years ago, raising duties to very high levels.

In agriculture the policy generally is to become self-sufficient in the production of all essential commodities and to increase output of all ex-

port products. High subsidies on production and exports and restrictions on imports are devices used. Furthermore, in an effort to lessen dependence on one or two commodities, several countries are using resources to promote the production of certain crops at high costs. Heavily subsidized wheat production in Colombia and Brazil is an example. Colombia is a net importer of cacao, yet apparently there are areas in Colombia well suited to cacao production.

One of the first of the Latin countries to do something substantial about its agrarian problem was Mexico. Land and liberty were the watchwords of the 1910 revolution, and Mexico has been trying to make these slogans a reality ever since. Cuba too has used revolution and bloodshed to gain land for the landless, so at least its leaders affirm. Other countries are trying to avoid revolution and to work out solutions by democratic and peaceful means. Colombia has a definite program for which it has obtained credits from the Export-Import Bank and the Development Loan Fund. Venezuela has embarked on a new program under the authority of recent legislation. Honduras has asked for assistance in developing a workable land reform program, and Peru is considering land reform legislation.

Improvement in education is being made in certain small areas, but efforts are lagging in most countries for lack of effective leadership and funds. Until means can be devised to levy and collect substantially higher taxes from those most able to pay, it will be difficult to advance education in keeping with the needs of Latin America.

Joint Improvement Efforts

In recent years, several leaders in Latin America have gotten together to devise cooperative instruments to deal with problems which the individual countries separately appear unable to cope with. These endeavors, and the instruments designed to further them, seek (1) to create mass markets for specialized production unaffected by national boundaries; (2) to provide more adequate and more readily available investment capital

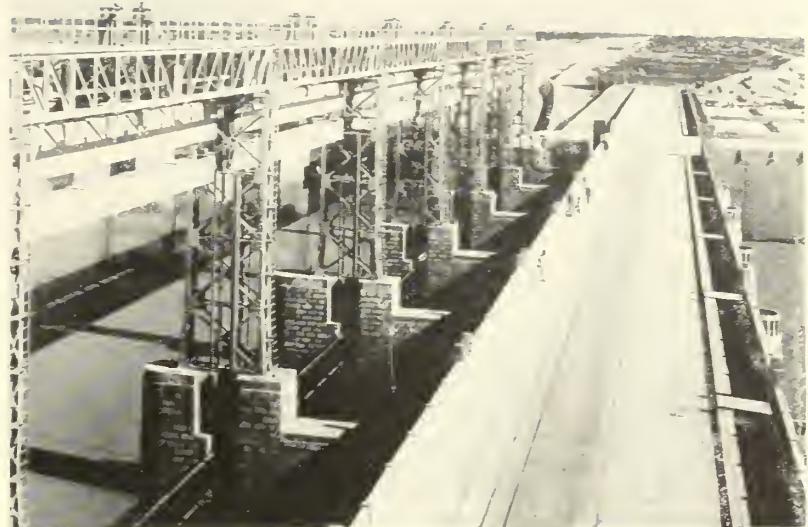
for economic development under public auspices; and (3) to relieve long pent-up social tensions—made all the more evident by recent events in Cuba—by the provision of land for the landless and more public services and social amenities for the masses. Among these new developments may be mentioned the following:

The development of two free trade areas—one in Central America and one that now includes six South American countries plus Mexico. At the present time the available market in many countries is not large enough to justify much diversification in industrial development within any one country; but if the market could be widened to include all or several of the Latin American countries, leaders believe that some degree of specialization might be developed as between countries. That would allow them to cash in on any advantage this would give by trading goods freely among the countries. The Latin American Free Trade Area, as the southern group is called, is open for the signature of any Latin American country. Thus, the free trade area being developed in Central America is free to join with its southern neighbors.

Another group effort is the Inter-American Development Bank (IADB) which began operations last October with the United States also a member. This Bank, to which each participating member will contribute capital, will make loans for developing the economies of the Latin countries. Closely associated with the Inter-American Development Bank, and also with the Central American Free Trade Area, is another lending institution just now getting established—the Central American Bank for Economic Integration. The capital of this bank is being supplied by the participating Central American countries, by a loan from the Development Loan Fund and the IADB, and by grants from the International Cooperation Administration.

A third group effort is the agreement, known as the Act of Bogotá, signed on September 12 last year. It recognizes the need to hasten economic and social growth in Latin America and it recommends ways and

(Continued on page 18)



Courtesy World Bank



The Bank's biggest agricultural loan has gone for development of the Indus River waters. Shown here are, above, the barrage at Taunsa and, left, another at Sukkur, in Pakistan. Above at left, tractors financed by the Bank work on land clearance in Japan.

The World Bank and Agriculture

Late in December 1945, the International Bank for Reconstruction and Development—soon to be better known as the World Bank—came into existence as something quite new on the world scene: an intergovernmental association devoted to the postwar reconstruction and economic development of its member countries.

Now, 15 years later, the Bank can look back on loans totaling nearly \$5,500 million made in 54 countries or territories, and on a great deal of technical assistance. It has lent \$461 million specifically for agriculture and forestry, while a primary purpose of much other lending—particularly for roads and railroads—has been the encouragement of agriculture.

The Bank's loans for agriculture

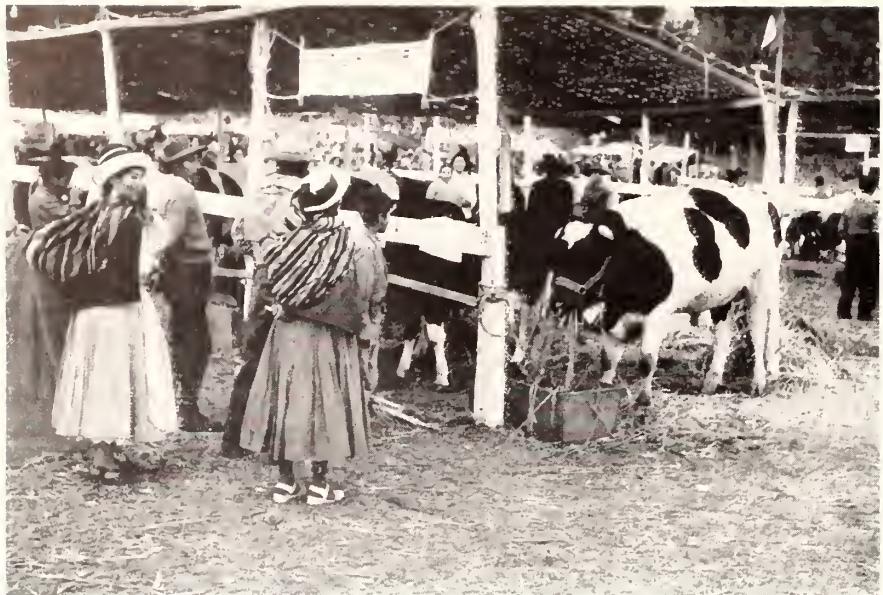
have been spread widely around the world, but a few examples may suggest their scope.

Latin America

In Peru, the Bank has lent \$36 million since 1952 directly to help farming. Two loans enabled a government agency to import 210 tractors and much other equipment for the machinery pools which it maintains to cultivate and reclaim land for farmers. The work of these people has been particularly important on the arid coastal plains of Peru, making irrigation possible. Three more loans financed imports of tractors and bulldozers, cattle and sheep, and equipment for storing and processing food. A sixth and largest loan, of \$18 mil-

lion, is helping to finance the second stage of the Quiroz-Piura scheme in northern Peru, which is adding 100,000 acres to the country's irrigated area. Three-fifths of the new acreage will be devoted to food crops and pastoral products for local consumption; the rest will be used to grow long staple cotton and other export crops.

The Bank's latest loan in Peru—\$5.5 million lent in December 1960 to improve the Aguaytia-Pucallpa section of the Central Transandine Highway—is a good example of a road loan for the benefit of farming. By raising to modern standards a 105-mile section of road which is now dirt-surfaced and impassable for half the year, it will open up a large and promising agricultural area at the



Farmers in Peru are improving the breed of their cattle and livestock to "show standard." World Bank loans enable the country to import purebreds.



Above, Kenya's farmers learn to make the most of their new lands. Below, banana plantation in Ecuador. Both areas are benefitting from Bank loans.



head of the Amazon Basin, where timber, bananas and other tropical fruit, rubber, and cacao are already being produced.

Two similar loans made to Ecuador in 1954 and 1957 have financed the reconstruction and maintenance of farm-to-market roads in the coastal area where most of the country's cotton, rice, and sugar, as well as the bulk of its chief export crops (bananas, cacao, and coffee) are grown. Until now, development in the region has been severely hampered by the inadequacy of the largely unpaved road system and the consequent high costs of transportation.

The Bank is also interested in African agriculture and has made loans to Kenya, Southern Rhodesia, and the

former Belgian Congo. In Kenya a loan of \$5.6 million is supporting the "Swynnerton Plan," which was begun in 1955 as a comprehensive plan to raise the living standards of African farmers by developing mixed farming and livestock production, and so increasing cash incomes.

Far East

In Thailand, the Bank lent \$18 million in 1950 to help in developing rice production, which provides half of Thailand's export earnings as well as feeding its people. A reinforced concrete barrage was built across the Chao Phya River near Chainat, about 100 miles north of Bangkok, to control the flow of water into an irrigation system which now supplies an area of 2,260,000 acres in the country's Central Plain. This project should eventually allow consumption of an extra 350,000 tons of rice and 75,000 tons of soybeans annually at home, besides yielding a surplus for export.

In Japan, tractors financed by the Bank have since 1956 been reclaiming remote and scrub-covered land on the islands of Hokkaido and Honshu. The present program calls for the clearance of 46,000 acres, and the useful working life of the equipment should permit the reclaiming of a further 25,000 acres at least. About 1,000 new farms have so far been established on the cleared land, and 2,000 existing farms have received additional land. On average, the new farms have been paying their way in the fourth year of settlement—3 years earlier than expected.

The Bank's biggest single loan for agriculture was the \$90 million lent last September as its contribution to the great 10-year Indus waters development program, which will construct a vast system of works to provide a new source of water supplies for an irrigated area of 5 million acres—roughly the area of New Jersey—in West Pakistan, making it possible to divert much of the water at present used there for use in the adjoining part of India. The program is being financed by the Indus Basin Development Fund of nearly \$900 million, made up of contributions from eight countries, administered by the Bank.

Japan's Agriculture Faces Problems of Success

By RILEY H. KIRBY
Far East Analysis Branch
Foreign Agricultural Service

An article in last September's Foreign Agriculture explained how agricultural advances helped free Japan from dependence on rice imports. The article below shows how this very progress has moved the country from one set of problems to another.

During the last years of the 1950's, Japanese farmers brought in a series of unprecedented rice harvests. Production in 1960 totaled nearly 13 million metric tons of brown rice—the largest crop in history, more than one-third above the 1952-54 average—and the government is now saying that self-sufficiency has been reached as far as rice is concerned. This marks the achievement of a long-sought goal.

The successes Japan has achieved by its efforts to promote food production have, however, given rise to new problems for Japanese farmers and for their government. For example, price supports have helped encourage output; but now Japan, like many other countries, must cope with their consequences—financial deficits and commodity surpluses.

Price Supports

For many years the Food Agency has administered a program whereby grains have been purchased from farmers at favorable prices and resold to mills and consumers at a loss. Prices paid to farmers for wheat, barley, and soybeans have generally been a third or more above the c.i.f. import prices, while the spread for rice has been even greater. These losses have been covered by taxes on the grains imported to meet the traditional grain deficit.

Now, with larger domestic crops, and with the increasing importance of wheat products and other foods, imports of barley and rice have been practically halted. Thus, losses from the domestic program have risen, while profits on imports have declined.

The Food Agency's deficit account

already requires a substantial direct appropriation, and the government is reluctant to go on covering the mounting deficits in this way. In the meantime, government stocks of barley are building up, for as incomes rise in Japan, people are shifting to more desirable foods. Some barley is fed to livestock, but the support price is too high to encourage this use. Feed prices are held down by free and unrestricted imports of corn.

Besides these difficulties with price supports, the Japanese Government is being faced with other serious questions bearing on agricultural policy. Basically, these relate to problems growing out of prosperity.

Income Gap

The story of the Japanese economy's postwar reconstruction and its subsequent sustained rapid growth is well known. The problem here is that agriculture has grown more slowly than the rest of the economy. There is an increasing disparity between incomes of farm and nonfarm families.

Total farm output is up, and production per acre and per farm household has gained. But within the advancing economy of modern Japan, this is not enough. To supplement incomes, an increasing number of farm people are engaged in nonfarm employment. Part-time farmers accounted for about 70 percent of the total in 1957 as compared with 50 percent in 1950. However, this solution is not fully satisfactory; the labor productivity of part-time farmers is much lower than that of their full-time counterparts, while the jobs available to them off the farms are generally low-paying also.

Another adjustment being made to the unequal income distribution is the migration of farm people to the cities. This movement has continued over many decades. It consists largely of young people, under 20 years of age. Throughout the 1950's, it was strong enough to remove all the natural increase and even more from the farm

population. In the past decade, Japan appears to have reached a point similar to that reached by the United States during and after World War I—the beginning of a long-term downward trend in farm population.

This is a healthy development; it paves the way to a consolidation of farms, thus permitting an enlargement of scale. In Japan, there is ample opportunity for this consolidation. At present, the average size of farm is scarcely more than 2 acres, and some 4.3 million farms or 70 percent of the total have less than one-third of the 7.35 acres permitted by the land law.

A growing number of Japanese leaders are giving serious thought to the question of agricultural efficiency. Aware that income equality cannot be achieved for agriculture simply by providing subsidies and ever-increasing price supports, they speak of the need for "creating a new agricultural structure." Basically, they look to an increase in farm size throughout Japan. They envision, too, a steady modernization of Japanese agriculture with emphasis on greater output per worker.

This increasing productivity is seen as the means to higher incomes and a rising level of living among Japan's farm people. At the same time, as a measure of agricultural efficiency, it points toward reduced costs of production for farm products. Thus, the wide gap between Japanese farm prices and world prices can begin to shrink. Japanese consumers can benefit from lower food prices, and the insistent pressure on the treasury to maintain high support prices can be relieved. But these developments will require many years of unfolding.

The years ahead hold much promise for Japanese agriculture. Farms will become more commercialized. Increasing specialization by farm and by region is likely. And farms will steadily grow in size. From these steps to increased efficiency and productivity, not all farmers will benefit equally. Nor are farm incomes likely to become equal in general to those of nonfarm people. For this reason, many will leave farming for urban employment; and this will make possible further consolidation of farms and more improvements in efficiency.

Shifts in World Agriculture as they relate to



Above, harvesting wheat in Kuban area of USSR. Relatively unimportant as a wheat exporter 10 years ago, the Soviet Union is now third largest.

In fiscal year 1960 the United States accounted for 17 percent of the volume of agricultural products entering world trade. Moreover, it was the world's No. 1 exporter of six of its 10 biggest agricultural exports—wheat, cotton, feed grains, vegetable oils and oilseeds, tobacco, and animal fats and oils. In citrus and hides and skins it ranked second, in rice and dairy products, fourth.

What is interesting with regard to the "Big Ten" is not so much the current U.S. position as how the pattern of trade in these commodities has changed in the past decade. In the case of some commodities, once-important exporters have dropped out as leaders and new ones have taken their place. With others—citrus and hides and skins, for example—there has been little change; the same countries that were big exporters 10 years ago still head the field.

Wheat, our largest agricultural export last year, shows marked change in its trade pattern. Last year the United States did a \$875-million business in wheat and flour exports, and its main competitors were Canada, followed by the USSR, Australia, Argentina, and France. Ten years ago the USSR and France were relatively unimportant as wheat exporters. At that time France was a net importer; then around 1954 it began exporting large

amounts. Its climb has not been consistent, though, for France's 1959-60 wheat exports were below those of the previous year. The USSR did not become a big wheat exporter until 1955.

Cotton, our second largest export in fiscal 1960, is another example. Over the last 10 years, except for a couple of marketing seasons when our high prices discouraged buyers, the United States has led; but our competitors last year—Mexico, the USSR, Egypt, and Sudan—were not the same as in 1951. At that time Pakistan and Brazil were big cotton exporters, Mexico was further down the list, and the USSR was selling very little cotton abroad. Even now the Soviet Union can hardly be called a strong competitor since most of its cotton exports still go to the Eastern European Bloc countries, which, with the exception of Poland, are not markets for U.S. cotton.

Feed grains have been comparatively stable. The United States last year accounted for half of the world's volume of feed grain exports, and while we were also the world's No. 1 exporter 10 years ago, our share of the market then was much smaller. Our three main competitors, Argentina, Canada, and Australia, have not changed. Canada, however, has switched positions with Argentina.

Vegetable oils and oilseeds, which



rank fourth among our farm exports, fall into two groups—inedible and edible. Of the inedible oils—flaxseed and linseed oil—Canada and Argentina are larger exporters than the United States, since we have cut our production in the last 10 years while they have expanded, particularly Canada. In the edible group, the United States is by far the world's largest exporter, shipping mostly soybeans and soybean and cottonseed oils. These compete with soybeans from Communist China, copra from the Philippines, and peanuts from West Africa. India, once a major exporter of edible oils, has almost dropped out of the export market in the last few years because of rising home consumption.

Fifth in order is tobacco, and the five leading exporters are the United States, Rhodesia, Turkey, Greece, and India, in that order. Actually, none of the tobacco from these countries directly competes with U.S. tobacco except when our prices are high. Rhodesia, which has shown phenomenal expansion in the last 10 years, and India grow the same type that we do—flue-cured—but theirs is more neutral in flavor. Greece and Turkey,

Agricultural Trade

United States' leading exports



Left, shipping soybeans from Manchurian port. Above, rice paddy in Communist China. Both crops are big money-makers for China.



Right, tobacco worker moves cured leaf from a barn in Southern Rhodesia, where tobacco output has mounted rapidly in the last decade.

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Of the animal fats and oils (excluding butter) that enter world trade, the United States ships about 70 percent and in 1959 competed with Australia, New Zealand, Canada, the Netherlands, and France. The first three of these countries deal mainly in tallow and greases, the last two mainly in lard, while U.S. exports are divided, about 70 percent tallow, 30 percent lard. The United States was also first 10 years ago, but Argentina, which was third then, has now lost its place among the leaders, and the Netherlands and France have pushed up ahead of Belgium, formerly a high-ranking exporter. Probably the most conspicuous change has been the sharp rise in U.S. tallow exports which started in the early 1950's.

The pattern of the world's rice trade shows some change in the 10-year period. Currently, the leading exporters are Burma, Communist China, Thailand, the United States, and Vietnam. The United States, which was not a principal rice exporter until World War II, has in-

creased its exports 44 percent since 1951. Also, 10 years ago Communist China's rice exports were not important in world trade, but in the last 2 or 3 years they have mounted. China's record shipments in 1959 were 25 percent over those of the previous year and they placed that country second to Burma, the world's largest rice exporter.

The dairy products line-up—on a value basis the United States is also fourth in these—is not too different from what it was in 1951. However, the United States hardly competes with the other large dairy exporters since our main export product is non-fat dry milk, most of which is shipped abroad under government programs, while New Zealand, Denmark and the Netherlands, the three top-ranking countries, concentrate on butter and cheese exports. We do compete with Canada, Denmark, and the Netherlands in the case of dry whole milk, practically all of which goes to Venezuela, the world's largest market for this product. Here the United States was the pioneer, but keen competition started in 1956.

The citrus-exporting countries are

also about the same today as they were 10 years ago. Spain, with its fresh citrus, is much the largest exporter. The United States, which ranks second, has earned this position through its volume of processed citrus exports. Italy, Israel, and Algeria follow, Algeria being the only new one in the group.

The last of the United States' "Big Ten" are hides and skins, and here too the trade pattern has remained fairly stable: Argentina, the United States, Australia, New Zealand, and the Union of South Africa. Argentina and the United States export mostly cattle hides, while Australia and New Zealand are sheepskin exporters. The only real change occurred around 1954 when the United States switched from a net importer to a net exporter as a result of rising beef production in the United States and the partial replacement of leather with synthetics in U.S. shoe manufacturing. Also, in this decade the United States and Argentina have vied for first place, the United States coming out ahead only once, in 1955. It now looks, however, as though the United States would be the leader for 1960.

Shifts in World Agricultural Trade as they relate to the United States' leading exports



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The Agricultural Circle

—Poland's method of socializing agriculture

By ALEXANDER BERNITZ
East European Analysis Branch
Foreign Agricultural Service

The development of Polish agriculture in recent years has been aided by the relaxing of the government's drive for the collectivization of agriculture. Official sources point out that the Polish farmer has long had a tradition of owning his own land; and for this reason, among others, they feel that the ancient Polish "kulk," or agricultural circle, is the most efficient means of securing socialized agriculture in Poland.

In practice, this policy appears to be getting results. In spite of adverse weather conditions, Polish agriculture managed to maintain its output of farm products during 1960. Grain production will be approximately equal to that of 1959, the potato crop slightly higher, and sugar beets are estimated at an alltime high. This year Poland will export over a billion eggs and an increased quantity of butter and meat products, as well as other agricultural products.

Origin and Growth of Circles

The first agricultural circle was set up at Pjesecko in 1862 to promote agricultural production and "for the enlightenment of the peasants." The number of circles increased steadily until 1939, when there were 7,000, with a membership of approximately 250,000 households. After the war, they were disbanded by the government in favor of the so-called producer cooperatives (collectives). At the end of 1956, following political changes, pressure for collectivization was replaced by a policy that emphasized the free development of individual farms. The circles then reappeared spontaneously. Within a year the government recognized their potential as a means of socializing agriculture and began to actively support them as a form of organization for the independent farmer. By August 1960, there were approximately 22,000 circles with 585,400 members.

The official rules of the agricultural circles define the circle as "being a voluntary, universal, social, and economic peasant organization, grouping peasants in work to increase and improve agricultural production by joining individual efforts with mutual aid and cooperation."

The objectives of the circle are "to improve production, profit, and agricultural methods on peasants' farms, primarily through wide development of mechanization and water regulation; raise the level of social and cultural life in the rural areas; organize and conduct many-sided economic activities; and defend the interests of the circle members."

Government Support

Why the Polish Government has given its support to this organization was stated by Edward Ochab, a member of the Secretariat of the Central Committee of the Polish United Workers Party (PZPR), in *Nowe Drogi* for April 1960: "The qualitative development of agricultural circles is of great importance in the gradual improvement of the level of peasant production during the *gradual adjustment* of millions of peasants to *communal, collective activity*, and as an introduction to a gradual maturing of peasant masses for the *voluntary transition* from small farming to farming large areas *collectively, productively, in a socialist way.*" (Italics have been added.—Ed.)

The government, however, will not tolerate agricultural circles unless some means of control is incorporated in them to insure their growth and development along the path of socialism. To further the party's influence and control, the Agricultural Development Fund was set up in 1959 to help the circles buy machinery, improve land, and provide other agricultural investment. A circle, to use the Fund, must agree to follow certain party regulations and directives specified therein. Indirectly, this arrangement leads to further socializa-

tion; to use the Fund for purchasing machinery, individual farmers are forced to "collectivize" their money to raise the 15 or 25 percent the circle must contribute toward the machinery's cost. (In the newly annexed lands of Poland, circles must contribute 15 percent; in "old" Poland, 25 percent.)

Furthermore, any farmer not a member of the circle must pay 20 percent more than members do for the machinery's services. It is virtually impossible for a Polish farmer to buy farm machinery by himself; and, since approximately 75 percent of Polish private farms are under 10 hectares, it is equally impossible for him to use it economically. These facts provide incentive to join circles in spite of their possible future socialistic status.

How the Fund Operates

Basically, the Agricultural Development Fund consists of three parts. The first part originates from the state contributions, which are based on the difference between the compulsory delivery and free market prices. This part is to be used specifically for purposes defined by the state; currently, emphasis is being placed on the mechanization of agriculture. The second part is made up of the contributions of the peasants, to be used specifically for the purchase of farm machinery. The third part is derived from the income of the circles and can be used for any purpose decided upon by a circle. The circles may earn income by methods such as contract sales or successful administration of land from the State Land Fund. The Agricultural Development Fund thus incorporates socialism into the circles while allowing some private enterprise to remain.

The success of the Polish Government's plan to subsidize mechanization and other investments in agriculture through the circles depends mainly on the rate at which the circles grow, and on the willingness of the farmers to participate, through private contributions, in this newest attempt

at socialization. If the Party expects to maintain, or gain, control of the activities of the agricultural circles, it will have to place "activists" both in existing and in newly formed circles. Whether the peasants will accept this is hard to predict at this time.

Progress of the Program

Indications are that the Polish Government is not meeting with the success it had planned for the Fund as a tool for mechanizing agriculture. In 1959, the circles bought 1,303 tractors. This rate of purchase must be increased if the announced goal of 112,000 tractors delivered to circles is to be reached by 1965. Although in 1960 the circles were increasingly active in purchasing tractors and other machinery through the Fund, a general reluctance of farmers to participate in this program has been noted. The decline in the rate of new circle formations during 1960 and official complaints that the Fund is not being utilized fast enough are other examples of this reluctance. Furthermore, only about 17 percent of the private farmers belong to the circles, and this fact automatically limits the effectiveness of the program for mechanizing agriculture primarily through them.

A further source of dissatisfaction to the Communists is the small number of PZPR members who are also members of circles. In June 1960, PZPR members totaled only 70,000 out of a circle membership of 585,400. This, plus the fact that Poland had 6,255 villages with basic party organizations but no circles, bears out reports that private farmers are reluctant to be associated with further socialization of agriculture.

How long it will take Poland to reach socialization of agriculture depends to a large extent on how long it takes to overcome the Polish farmer's reluctance to be guided along the road to socialism. The first step on this road is the agricultural circle, with its associated devices for furthering collectivization.

The next step, already in progress, is the formation of village groups. These combine several circles into one administrative unit for "complex mechanized agricultural work" and are

Deficiencies in 1960 Agricultural Production Worry Soviet Leaders

Nikita Khrushchev's recent outburst before the January session of the Central Committee of the Communist Party that, "One cannot make pancakes out of statistics!" rather typically sums up the concern of Soviet agricultural officialdom over a second disappointing crop year in succession.

This disappointment has been reflected in the removal of V. V. Matskevitch, Minister of Agriculture, and several minor officials, as well as in Khrushchev's sharp challenges interrupting the agricultural reports by Republic leaders given before this Central Committee Plenum. This meeting was convened especially to discuss problems related to greater intensification of farm production. The opening reports were rather optimistic, but after Khrushchev's criticisms, reports indicated a more sober appraisal of the current situation.

Prior to the decline of the last 2 years, food and agricultural output in the Soviet Union had been climbing steadily during the post-Stalin era and had reached an alltime high in 1958. Much of this initial increase resulted from the extensive acreage added during the "Virgin Land" drive and the various economic incentive programs. Increased capital investment and good weather played a part too. And despite the recent disap-

formed in accordance with the degree of mechanization, the technical base, and the size of the Fund in the villages. The plan is that these groups will be models of efficient operation, inspiring other peasants to unite into similar groups.

The third stage, probably many steps in the future, will be to transform these groups into true collectives. This is a long path to take toward the socialization of agriculture; but it is perhaps the only one available for a government like Poland's—committed to socialism and yet not willing to force collectivization upon a rural populace devoted to the principle of private, independent farming.

pointing years, the food and agricultural output during the Khrushchev period has been adequate for most internal consumption requirements and sufficient to provide sizable quantities of agricultural commodities, particularly wheat, for commercial and strategic trade and aid programs abroad.

At the beginning of 1961 the food situation, on the basis of 1960 agricultural production, appears to be about the same as a year ago but stocks are well below those available after the record crop of 1958. Another poor crop year could reduce food available for home consumption and significantly affect Soviet foreign trade in food and agricultural products.

During the good years this trade has generally reflected a gradually increasing export status. For example, Soviet trade statistics indicate that between 1955 and 1959, imports of food and beverages dropped 25 percent while exports of these products nearly doubled. During the same period the value of imports of food and beverages dropped from a reported 20 percent to 9 percent of total imports.

In 1960 there were substantial increases in the production of feed grains, especially corn, and a better than usual crop of sugar beets and sunflowers. However, fruits and vegetables, and potatoes in particular, showed little gain over 1959, and the bread grain harvest (wheat and rye) appears to be the lowest since 1955. In spite of over 500 million sown acres—the largest in USSR history—heavy winter kill and severe dust storms in European Russia combined with adverse weather and harvesting problems in parts of the Virgin Lands to significantly reduce 1960 bread grain production. Soviet agricultural leaders also admitted rather serious forage and pasture problems, and the 1960 meat and milk production apparently did not reach the 1959 record. Still, there is little danger of starvation in the Soviet Union—merely a lag in the promised improvement of the standard of living and discomfiture on the part of the Central Committee.

Australia's tobacco industry is booming. Below, young tobacco plants in Queensland (the major area); right, protecting seedlings in New South Wales.



Australian News & Information Bur.

Australia Increases Its Tobacco Output

By JOHN B. PARKER
Tobacco Division
Foreign Agricultural Service

Australia, the largest foreign market for U.S. tobacco outside Europe, ranks among the top 6 countries of the world today in cigarette consumption per capita. Its total consumption of cigarettes has doubled in the past 10 years and is expected to reach an all-time high of almost 20 billion pieces in 1961. The outlook for maintaining or even enlarging U.S. leaf exports there would be highly encouraging, except for one thing. The Australians are growing much more tobacco themselves, and have begun to import less.

In 1960, Australian tobacco growers harvested about 20.3 million pounds of leaf, compared with only 4.1 million in 1950—an average increase of 50 percent a year. Judging from the area planted, the 1961 crop may show another 50-percent rise. This steady growth in output has come about because tobacco has become good business for the Australian farmer: it brings good prices, has eager buyers, gives good profits.

Much of the Australian tobacco grower's fortunate situation is due to his government's general policy of

encouraging agriculture in an effort to lessen dependence on imports. For tobacco, encouragement has been provided through a combination of mixing regulations and tariff policy that adds up to a sort of indirect price support. The mixing regulations require manufacturers to use minimum percentages of domestic leaf—currently, 28.5 percent for cigarettes and 24.5 for smoking tobacco. If they do this, they can get a duty reduction of 15.8 U.S. cents per pound on imported leaf. The local leaf is mild and neutral; Australian smokers prefer cigarette blends with the flavor and aroma given by high-quality imported tobacco. So the duty reduction offers Australian manufacturers a strong incentive to buy the required amounts of domestic leaf.

In the past 5 years, the percentages of Australian leaf required in blends have been steadily raised, and a further increase has been announced for July 1, to 35 percent for cigarettes and 32 for smoking tobacco.

Domestic leaf now provides about a fourth of the tobacco used by factories. This assured market, together with improved yields per acre, has done much to increase returns to growers and thus to encourage tobacco expansion.

The 1960 crop brought growers an average of \$1.29 per pound, more than double the average price received by U.S. growers. With an average yield of 1,035 pounds, the average gross return per acre was \$1,335.

While the grower's returns have been going up, some of his costs have been going down. One cost item that bothered tobacco farmers in the early 1950's was labor. However, over a million immigrants have arrived in Australia since the war, and many from Greece and Italy were experienced tobacco growers. Success has attended the programs settling these and other farmers with their families on land opened by new irrigation projects. Such family farms have labor costs much lower than those of other tobacco farms.

Another cost problem was water. Tobacco has been produced in Australia for over 100 years, though on a limited area. But recent irrigation projects have enabled Australian farmers to extend tobacco cultivation to land where they can get higher yields and profits. About half of Australia's crop now grows in Queensland, a quarter of it in the Mareeba-Dimbulah area alone. Queensland's warm climate

and sandy soils favor the rapid expansion of tobacco growing, and this has already occurred in the valleys of the Barron and Walsh Rivers. Irrigation schemes now in prospect would make about 32,000 more acres in this area suitable for tobacco, perhaps doubling the country's total tobacco acreage.

Further south in Queensland, tobacco is grown in the Burdell River Valley, where it is irrigated from underground water; in the Inglewood-Texas area; and near Ingham and Bundaberg. An important area in southeastern Australia is the Murray River Valley, particularly in Victoria, where expansion has been rapid since 1955.

Australia's excellent tobacco marketing system has been another boon to tobacco growers. In the early days, graded leaf was purchased at the farm, but near the end of the 1930's an auction system was introduced. Arrangements were made between growers' associations and manufacturers for auctioning tobacco in modern warehouses. Largest marketing centers for leaf tobacco are at Mareeba, Brisbane, and Melbourne.

The striking gains in tobacco production have had their effect on imports, which have moved down from a peak of 51.7 million pounds in 1955. Since then, tobacco imports from all sources have ranked between 36 million and 45 million; those from the United States, between 25 million and 35 million; those from the Rhodesian Federation, between 8 million and 12 million. In 1959, imports totaled 37.5 million, of which the United States and the Federation together supplied 97 percent. But the U.S. share of the total has declined from an average of 76 percent in 1947-51 to 68 percent in 1959; the Federation's has risen from 18 percent to 30.

Australia's leaf imports from the Rhodesian Federation are now double the volume of those in 1950. This rise is due to a preferential tariff rate on Rhodesian leaf and to a purchase agreement guaranteeing that Australia will buy 9.6 million pounds of Rhodesian tobacco or 6.5 percent of the crop, whichever is smaller. This leaf, like over 90 percent of the leaf Australia buys from the United States, is flue-cured. Rhodesian flue-cured, however, has a rather neutral flavor



The Yarrawonga Weir, on the Murray River, holds back water for diversion to irrigation channels supplying Australia's second most important tobacco area.

and aroma, much like that of Australia's own tobacco. For this reason, imports of Rhodesian tobacco are not expected to increase sharply.

The possibilities for future sales increases by Australian tobacco manufacturers are encouraging. In 1960, Australians over 15 years old consumed more than 7.5 pounds of tobacco products per capita, including a record 2,400 cigarettes. The population is increasing about 2 percent every year, through birth and immigration; per capita consumption of all tobacco products is increasing also. If present trends continue, Australians will be using at least a million pounds more of tobacco products a year by 1965.

Changes are taking place, however, in the kinds of products being sold. In fiscal 1950, Australia's total output of tobacco products was about 32 million pounds. Nearly two-thirds was smoking tobacco, for pipes and "roll your own" cigarettes: one-third was cigarettes. By 1958, the balance had shifted the other way; of total output (52 million pounds), more than two-thirds was cigarettes. The outlook is for still more of a shift in their favor.

There is a shift, too, in the source of the Australian smoker's cigarettes. Ten years ago, Australia was one of the world's most important cigarette importers. Its own cigarette output, however, has been going up faster than that of any other major cigarette-

producing country in the world. Australian manufacturers now supply about 98 percent of the cigarettes smoked. Imports have slumped from more than 10 million pounds a decade ago to 524,000 pounds in 1959. The United Kingdom, chief source of supply until this year, has been the chief loser. Imports of U.S. cigarettes, however, have been running counter to the trend: they jumped from 7,000 to 149,000 pounds in the past 5 years, and from 0.3 percent of the total to 28.4 percent. Last year, the U.S. share increased to about half.

The increase in U.S. cigarette shipments could be a straw—or a cigarette—in the wind. Most of it came about in the past 2 years. Australian supermarkets have been making it easy for smokers to buy imported cigarettes while shopping for other items, and to compare imported and domestic brands. In a prosperous country like Australia, the difference in cost between U.S. cigarettes at about 45 cents a pack and domestic cigarettes at 37 cents is not likely to keep smokers away from U.S. brands. Substantial further growth in sales of U.S. cigarettes, demonstrating the distinct Australian preference for the flavor of U.S. leaf, could eventually serve as a brake on future changes in the mixing regulation for Australian cigarettes, and thus help keep the United States active in the Australian tobacco market.

Latin America's Economy

(Continued from page 8)

means of accomplishing the goal. It also recommends that the Organization of American States be strengthened so it can fulfill its responsibilities in connection with the new effort.

One of the new things that the Act provides is a strong emphasis on social measures that will benefit the individual citizen of Latin America. Specifically it points up the need to: Insure wider distribution of land ownership; provide adequate agricultural credit institutions; revise tax systems and fiscal policies to assure equity of taxation and encourage improved land use; promote land reclamation and settlement projects; and provide better homes, public utilities, and transportation, particularly for low-income families.

Outlook

Given the economic conditions that now prevail in Latin America and the plans now contemplated to improve them, what are the prospects for U.S. agricultural products in the Latin American market?

Over the past 10 years the 20 Republics took from 11 to 16 percent of our agricultural exports to the world. In fiscal 1959-60 these were valued at \$499 million, or about 11 percent of our exports of \$4.5 billion. Over the next year we expect that these exports will decline. Cuba has been our best Latin American market for agricultural commodities, and exports to Cuba since July of this year have been falling sharply and will continue to fall.

But in spite of the difficulties throughout the Hemisphere, there are encouraging signs for the longer future. We foresee that in the next 15 years the forces already set in motion will allow a continued rise in the industrial and agricultural output of Latin America, and that the gross product will again reach a per capita rate of growth of 2 percent annually. The natural and human resources are available, and we believe that leaders, both inside and outside Latin America, are now ready to bring those resources together through capital and ingenuity to permit such an advance.

On the agricultural side we expect increases in total output and expanded trade among the countries themselves. Nevertheless, we expect that the area will continue as a market for wheat, rice, fats and oils, and a wide variety of specialty foods.

We must remember, though, that even with the anticipated rise in population, production, and markets, at the end of 15 years there may be a greater disparity in per capita gross national product between the have and the have-not nations of the world. Political necessity may force the thinking people of the world to devise ever new and more dramatic procedures to move production per capita upward at a rate fast enough to raise average income for Latin America above the projected level in 1975. Such a prospect brings with it the probability that trade patterns will change and dislocations and confusion may accompany them. In the long run, however, it should mean expanded trade among the countries of the Hemisphere, for both industrial and agricultural products.

Wheat Export Position

(Continued from page 5)

Now for the third time in recent years, France faces the likelihood of a smaller crop in 1961 because of bad weather. To be considered, too, is the increased use of wheat for feed. While the quantity used for human food has scarcely varied at all from year to year, the quantity used for feed has apparently increased appreciably, and this has tended to leave less available for export.

Much has been said about the long-time possibility of France's increasing its wheat production as a result of being in the Common Market. France has good yields, averaging 34.2 bushels an acre during the past 5 years, and it is a low-price producer. If the prices in the Common Market countries are to be made uniform, the French price undoubtedly would rise, encouraging increased production in France. The occasional crop failures and the competition of other crops, however, may act to prevent a sharp rise in French wheat production.

—PAUL G. MINNEMAN

Another World Corn Record May Mean Shifts in Trade

World corn production, which has leaped from record to record for 3 years, with its latest leap is passing the 8-billion-bushel mark for the first time; the 1960-61 crop is forecast at 8,145 million bushels. More than half of this comes from the U.S. crop harvested last summer, also a record.

The new U.S. high of 4,353 million bushels came about through record yields of 53 bushels per acre, for harvested acreage was 1.4 million less than in 1959. This immense crop, together with an unusually large carry-over of old corn, will mean an unprecedented corn surplus by the time of the 1961 harvest, even if U.S. exports remain at the high level of last year. But whether they can do so is still somewhat of a question. Western Europe, the major U.S. corn market, harvested large crops of other feed grains last year. In addition, much of Europe's wheat crop was impaired in quality by rain during the harvesting period, and this means more wheat available for feed than usual. These two circumstances could add up to smaller European needs for U.S. feed grains; however, Europe will still require large amounts of corn in the manufacture of mixed feed for its rapidly expanding poultry industry.

U.S. corn exports may have stiff competition from the corn of other countries. Western Europe also buys corn from Eastern Europe, as well as from Argentina and South Africa. In Eastern Europe, where the corn crops have had alternate ups and downs since 1955, 1960 was a "down" year; but even so, both Yugoslavia and Rumania had crops close to the previous year's record and may again be active exporters. Argentina and South Africa are just beginning their harvests, but both look forward to better-than-average crops, provided that weather conditions have been at least average.

Other corn-exporting countries also expect to be active in world trade. A comparatively new entry in this category is Thailand, which increased its corn crop sharply over the past 10 years, largely for export. It now is surpassed only by the United States and Argentina as a supplier for Japan.

American turkeys make a hit in West Germany. Right, German businessmen sample U.S. birds at a trade luncheon given at the International Trade Fair, Munich, last year. Below, German housewife wins a turkey at the Fair and grins happily for photographer.

By DAVID R. STROBEL
Dairy and Poultry Division
Foreign Agricultural Service



Our Turkey Market Is Now Worldwide

U.S. turkeys—frozen, eviscerated, and ready-to-cook—are now appearing in markets all over the world. Last year they were shipped to 48 countries on five continents, and could be bought in places as far apart as Mexico and Iran, West Germany and Liberia. Even in Hong Kong, 10,000 miles away, a consumer could go into a store and purchase one of these plump U.S. birds.

The world market is a new market for our turkeys. In 1956 Canada was the principal buyer; some 11-12 million pounds crossed the border that year. The next year, as a result of increasing domestic production and a support program, the Canadians placed an embargo on U.S. turkeys, and our exports to that country dropped to less than 3 million pounds. The loss of this major market stimulated the search for new export outlets.

So successful have our efforts been that in 1959 we shipped abroad 12 million pounds of turkey, and it looks as though the 1960 export figure will reach a record high of 25 million. Canada is now permitting a limited import of U.S. turkeys, and on this basis, about 4 million pounds were imported last year. However, the major market for our turkeys is West Germany, which from January to November 1960 took 15.1 million pounds or 66.8 percent of our total turkey exports. (In 1955 only 646,000 pounds of poultry meat, including all poultry and game, were exported to all of Western Europe.) Ranking next in importance are Canada, the Netherlands, the Caribbean area, Switzerland, and Hong Kong.

What activities and what programs have helped make U.S. turkeys popular around the world? Probably the greatest efforts have been expended by the U.S. turkey industry itself through its International Trade Development Committee. In 1956 this committee selected the Institute of



American Poultry Industries to cooperate with the Foreign Agricultural Service (FAS), and an agreement was signed between the two, making available to the Institute local currencies that have resulted from the sale of surplus U.S. agricultural commodities under Public Law 480. The Institute set up a regional office in Frankfurt, Germany, and followed this with country offices in Italy and the Netherlands. From these offices the Institute carries out promotional activities in Western Europe and assists U.S. exporters to develop profitable relationships with foreign importers.

Western Europe is by far our largest market and probably will continue to be so. Economic conditions there have improved so rapidly since the war that these countries not only have greatly increased their food consumption but have also improved the diet and incorporated in it large quantities of protein. This is still an expanding market, and all of the countries have a long way to go before approaching the level of poultry meat consumption in the United States—36 pounds per capita annually. Only in recent years have turkey and other poultry ceased to be



M. C. Small, Executive Secretary, National Turkey Federation, examines U.S. turkeys delivered to West German store.

luxury, seasonal items in Europe.

The outlook for expanding this market for turkeys is particularly bright. Few turkeys are raised in Western Europe, and the necessity of importing feed grains to support a growth in the industry limits any rapid expansion of production. In 1959 continental Europe's total turkey numbers were reported at less than a million compared to a U.S. production of over 80 million.

Mention has been made of Public Law 480 sales for local currencies. This program has also proved effective in introducing U.S. turkeys and chickens to potential new markets. U.S. poultry was first introduced to West Germany, now our principal export market, under a P.L. 480 agreement signed in 1956. U.S. turkeys have moved in the same manner to Turkey and Spain and some are now going to markets in Egypt.

International trade fairs have provided another means of introducing the foreign consumer to our turkeys. Not only are poultry products exhibited but they are actually made available for sampling by fair visitors. Last fall at both the London and Munich fairs canned and precooked poultry was sold across the counter, and at Munich a hungry visitor could buy fried chicken, a turkey sandwich,



Officials of U.S. poultry industry's International Development Committee study U.S. birds in German store.

or even a fresh frozen bird to take back home to the family.

Overseas trade, of course, is quite different from domestic trade, and there are many factors to be considered. The fact that Munich people could taste our fresh frozen poultry, and Londoners were not able to, stems from the United Kingdom's ban against U.S. fresh frozen poultry because of Newcastle disease. In West Germany we are still limited by dollar allocations and licenses for the import of chickens, although turkeys were liberalized in July 1959. We also run into import quotas, such as those applied by Canada, import duties, and in some cases, total denial of the market to our poultry products; for it is a natural tendency of foreign countries to protect the local product even though their own output is not sufficient to meet the demand.

One of the jobs of FAS is to work for the removal of these barriers. We have agricultural attachés stationed in overseas posts covering some 60 countries, and they are continually striving to expand markets for U.S. farm products. They send to Washington a constant flow of reports on foreign production, foreign marketing, competition, and other such pertinent matters, all of which is evaluated and

passed on to the U.S. poultry industry. We also send marketing specialists into the field to determine the most effective ways of broadening present markets and to evaluate potential markets for the U.S. products.

Certainly all these efforts are proving effective, for few U.S. agricultural products have gained a world market in so short a time as our frozen turkeys—in fact, all of our poultry products are moving overseas with spectacular success. In 1955 total poultry meat exports amounted to 41.9 million pounds. In 1959 they reached 125 million, and we are estimating a 180-million-pound total for 1960. This would be 2.8 percent of the total poultry meat production in the United States. For turkeys alone, the estimated 1960 exports would amount to 2.2 percent of domestic output. Admittedly these percentages are still small; nevertheless, they are now reaching the level where they can provide an effective means of strengthening the domestic poultry market.

Scheduled for release this month is Prospects for Foreign Trade in Dairy Products and Poultry Products, a summary of the current world situation and of the outlook for foreign markets.

U.S. Shows Farm Products At Trade Fairs Abroad

Each year since 1955, the United States has taken its agricultural products to international trade fairs in an effort to develop new markets abroad and to expand those already in existence. This year the products from U.S. farms will be seen at 20 foreign fairs, of which the most important from the trade angle are the U.S. Food and Agricultural Exhibit at Hamburg, Germany, and the annual Paris Trade Fair.

The Hamburg Fair, which takes place from November 10-19, is an independent U.S. show, staged entirely by the Foreign Agricultural Service of USDA, in cooperation with various U.S. food industries. While no other countries will be represented, foreign firms selling U.S. food products or those processed abroad from American foodstuffs will have displays. (Today West Germany is the second largest European market for U.S. farm products.)

The Paris Trade Fair comes earlier in the season—May 18-29—and is expected to attract some half million visitors. Designed to appeal to the French housewife, this exhibit will stress "convenience foods"—those frozen, packaged, and canned products that are to be found in every U.S. supermarket but which are almost unknown to the French. A "kitchen of the future" will be an important attention-getter.

Besides these two, U.S. agriculture will be shown at the following fairs:

Verona International Agricultural Fair, Italy, March 12-20. Here U.S. feed grains, soybean meal, and tallow will be featured as ingredients for livestock and poultry feeding.

Poznan International Fair, June 11-25. Exhibits at this Polish fair will be a joint USDA and Department of Commerce project.

Lima Industrial Trade Fair, Peru, October 12-29. Here too USDA and the Department of Commerce will put on a cooperative show spotlighting U.S. industrial goods and food products.

Europe's smaller fairs will have special exhibits of U.S. agricultural commodities. Also, local fairs in Denmark, Austria, and possibly other

countries will be visited by mobile units designed to show farmers advanced techniques in livestock feeding. Earlier this year the United States participated at a fair in Colombo, Ceylon, where U.S. grains, mainly wheat and flour, were exhibited.

Probably the biggest fair of all is the World Agricultural Fair in Cairo, from March 21 to April 21. There, however, the purpose of the U.S. exhibit is not to develop trade relations but to present a concise picture of the American agricultural heritage, its democratic foundation, and the free enterprise system, which have made possible unsurpassed production and distribution of food and fiber.

Czech Agricultural Output Now Close to Prewar Level

Recent official Czechoslovakian releases report that 1960 may mark the return of that country's agriculture to its prewar production level. Thus, the Czechoslovakians rank 1960 as the best overall postwar agricultural year, although potato, milk, egg, and pork production were acknowledged as being below their fulfillment goals.

This official announcement contradicts periodic reports received during the 1960 crop year. Adverse weather conditions prevailed throughout the planting, growing, and harvesting periods. Official releases frequently commented on inadequate use of farm machinery, the lack of trained personnel, and the lack of farm labor in general. Additional reports have indicated that the output of all grains and potatoes during 1960 was below the previous year. The production of sugar beets and hops, however, has been stated as being near record size. Similarly, the output of animal products is indicated as having risen slightly during 1960.

In spite of the unfavorable official reports issued during the 1960 crop year, the most recent official estimate is that the total agricultural production in Czechoslovakia will be 6 percent larger in 1960 than in the previous year. Czechoslovakia, however, is expected to continue to import large quantities of foodstuffs, and the bulk of these foodstuffs will be imported from the Communist Bloc.

Export Records Set by Soybeans, Oils, Meals

The end of the marketing year, September 30, 1960, found U.S. exports of soybeans and edible oils at alltime record levels and those of oilseed meals at a new high for recent years. What lay behind these records was a reduction in world supplies of competing products—particularly peanuts and copra—combined with a growing world demand for vegetable oils and oilseed meals.

This double circumstance raised U.S. soybean exports to 142.3 million bushels last year, almost a third above the record set the previous year. Largest single customer was Japan, with 41 million. Western Europe took a record 70 million, for prolonged drought in the summer and fall of 1959 had greatly reduced the domestic feed supplies in several countries and had brought a strong demand for oilcake and meal.

U.S. edible oil exports, at 1.46 billion pounds, were 9 percent above the previous year's. More soybean oil was sold for dollars, particularly to West Germany, the Netherlands, the United Kingdom, and Uruguay. These sales more than offset a sizable drop in soybean oil sales for foreign currencies under Title I of Public Law 480. Cottonseed oil exports rose too, by nearly 100 million pounds—mostly for dollars. West Germany accounted for much of this increase, but Canada's takings rose substantially, and both France and the United Kingdom made their first sizable purchases in recent years.

U.S. oilseed meals had an exceptionally big year. The growth in Europe's mixed feed industry, plus the same drought aftermath that boosted U.S. soybean exports, helped push oilseed meal exports to the highest level since the early 1900's.

For the current year, U.S. soybeans and edible oils are expected to maintain their high export levels, despite some increase in supplies outside the United States—mainly in African peanuts. Oilseed meal exports, however, may drop as much as a third, for supplies from other countries have risen sharply; so have domestic feed supplies in Western Europe.



World Cotton Trade May Exceed 16 Million Bales

International trade in cotton is expected to total over 16 million bales for the marketing year ending July 30. This will be below last year's alltime high of 17.3 million but will approach the former record of 16.7 million set in 1926-27.

At 6.5 million bales, U.S. exports in 1960-61 will be smaller than last season's 7.2 million running bales, but will exceed the yearly average for postwar exports by 48 percent. At this volume, the U.S. share of the world cotton trade will be about 40 percent compared with 42 percent in 1959-60.

With regard to cotton imports, Japan, still the world's largest raw cotton importing country, may decrease its purchases by as much as 10 percent from last year; and Western Germany, Europe's largest importer of cotton in the last 3 years, may also import less cotton than last season. In France, Italy, and the United Kingdom, also important West European cotton customers, imports will probably not decline as much.

Thailand Increases Its Corn Exports

Countries exporting corn to Far Eastern markets may expect steadily increasing competition in that area from Thailand in the years ahead. Both corn production and exports have shown a sharp increase in recent years, and all indications point to a continuation of this upward trend.

Ten years ago Thailand was growing slightly more than 860,000 bushels a year whereas last year it harvested 15.7 million bushels. In this same period exports rose from 496,000 bushels to an estimated 13.8 million. Yields are still comparatively low but it is believed that they could be almost doubled with more attention to better seed and modern production methods.

U.K. Buying More Frozen Vegetables From the U.S.

Despite great expansion of its own frozen vegetable industry, the United Kingdom is buying larger quantities of frozen vegetables from outside suppliers, including the United States. As a result of liberalization last summer, U.S. shipments to Britain in the first 10 months of 1960 were 6.7 million pounds compared with 5.9 million for the same period in 1959.

There is little likelihood that Britain's output, now nearly double what it was 5 years ago, will satisfy home demand. First, frozen foods are increasing in popularity in the United Kingdom as the facilities for storage and handling increase. And second, Britain's climate and short processing season reduce not only the kinds of vegetables that can be grown and frozen but the quantity. Green peas, which account for over 60 percent of Britain's frozen vegetable production, also form the bulk of U.S. shipments.

Record Soybean Shipments Pass North Through Suez

Soybean shipments toward the north through the Suez Canal reached a post-war record of 34 million bushels for the marketing year ending last September 30—and practically all of them originated in Communist China. Much of the increase, as well as that of the previous year, stems from Japan's break in trade relations with Communist China and the subsequent movement of soybeans to Europe. (Western Europe is the No. 1 market for U.S. soybeans.)

What shipments may be in the current marketing season is somewhat difficult to forecast. Reports indicate a smaller Chinese crop; however, the country may be forced to maintain this high level of soybean exports in order to buy grain, badly needed because of the admitted falling-off of Chinese farm production last year.

West Germany and Finland To Reduce Grain Imports

West Germany's grain import plan for 1960-61 provides for a substantial reduction in wheat imports and a drastic one in feed grain purchases.

For wheat, the current season's import requirements were set at 2.03 million metric tons compared with 2.2 million in 1959-60. For feed grains, the import total was fixed at 1.69 million tons, a considerable drop from the 3.1 million tons bought during 1959-60. The reasons are believed to be the country's large 1960 domestic feed grain crop and the relatively high proportion of damaged grain in the 1960 wheat and rye crops.

The plan did not indicate where these supplies would be purchased; however, in 1959-60 Canada was the chief source of German wheat imports, with the Common Market countries second, and the United States third. Feed grains were bought mainly in the United States.

Finland, whose biggest foreign grain source is the Soviet Union, will cut back its 1961 Russian grain imports by 25,000 metric tons from the previous year's figure. Both years' figures are well below that of 1959, partly because of increasing grain production in Finland.

London Bureau Established To Boost New Zealand Lamb

The New Zealand Government has set up an information bureau in London to promote the buying of its lamb. While some work of this nature has been done before, the new organization will step up activities. Consumers will be reached through newspaper and magazine advertisements, brochures, and demonstrations. A special service will work with quantity-feeding outlets.

New Zealand is by far the world's largest exporter of lamb and the United Kingdom the world's largest importer. New Zealand's exports of lamb and mutton to the United Kingdom in 1959-60 totaled 630 million pounds and accounted for 91 percent of New Zealand's shipments to all countries. Its shipments to the United States included 3.2 million pounds of lamb and 4 million of mutton.

Bulgaria and Cuba Sign 5-Year Trade Agreement

Under a recently signed trade agreement to terminate December 1965, Bulgaria plans to buy a minimum of 20,000 tons of sugar from Cuba annually. Other Cuban agricultural exports on the list are hides and skins, raw cocoa, and citrus fruits. Bulgaria, in turn, will send Cuba largely industrial products.

According to the Bulgarian press, the payments between the two countries will be on the basis of a clearing agreement in U.S. dollars. A credit of \$1 million will be opened by each party to the other, and when the clearing balance is drawn, differences will be paid in goods upon agreement.

Kenya Now Doing a Bigger Business in Meat Exports

For the past 3 years Kenya has been substantially increasing its exports of frozen and canned meat products. Last year this East African country shipped 8½ million cans of corned beef compared to 3½ million in 1958; and with the expansion of the Kenya Meat Commission's modern plant at Athai River, it is expected that output will increase to over 1 million cans a month. The United Kingdom is its leading customer.

Kenya also ships frozen carcass and variety meats, mainly to the Near East countries, though a number of West European countries purchase its products. No business is done with the United States because of U.S. inspection laws.

U.S. Dates Now Moving Abroad in Larger Amounts

U.S. agriculture has a new success story—California dates, which in the last 5 years have more than doubled their export volume. True, this volume is small compared to that of the big date exporters, Iraq, Iran, and Algeria; nevertheless, last year (1959-60) U.S. date shipments totaled 2,208 tons as against 1,061 in 1956-57.

The main reason for this growing export trade is the type of date produced in the United States—the Deglet Noor. Unlike the dates produced by other exporting countries, the Deglet Noor is not sticky, but is a firm fruit

that can be conveniently eaten out of hand. U.S. processing and packing also contribute to these larger sales. Canada is the leading importer, followed by West Germany, Venezuela, the United Kingdom, Norway, and Sweden.

The United States is also an important date buyer. In an average year it imports as many dates as it produces—slightly over 21,000 tons. In 1959-60, however, Iraq, which supplies over 90 percent of the dates shipped here, was unable to meet the demand, with the result that U.S. date imports dropped back to 16,857 tons.

French Paté de Foie Gras Again Graces U.S. Tables

The great gulf that since last year has divided U.S. gourmets from their supply of French paté de foie gras has been closed. One of France's most succulent exports, this expensive spread had lost its U.S. market through a tangle in regulations.

In July 1960, U.S. wholesalers' sales of French paté were halted under article 17 of the U.S. Poultry Products Inspection Act. The act, which had come into force January 1, 1959, provided for inspection of the condition—"ante mortem" and "post mortem"—of all poultry sold in interstate commerce. But no system had ever existed for inspecting—either alive or dead—the forcibly fattened geese from whose livers generations of French farmers have been making paté.

The gates were reopened by an agreement between USDA and the French Ministry of Agriculture, whereby the French system of poultry inspection was approved. Under this system, French veterinarians will make regular tours of the goose farms to examine the live geese, and will perform post mortem inspections at the time of processing in official plants.

Albania Gets Australian Wheat Via Communist China

Of the 300,000 tons of Australian wheat which Communist China purchased late last year, 40,000 tons were earmarked for delivery to Albania. Previously 10,000 tons had been sold to China for transport to this East European country in November.

Sweden's Shift From Snuff Helps Sales of U.S. Leaf

Sweden is one of the few countries where snuff is still popular. But as incomes have improved with industrialization, more and more Swedes have stopped sniffing tobacco and started puffing it. Cigarettes accounted for only 36 percent of Swedish tobacco consumption in 1946, but for 59 percent in 1959.

Of the cigarettes Sweden manufactured in 1959, 80 percent were American-type blended; the rest, modified oriental-type also containing some U.S. leaf. Thus, the trend toward cigarettes means that Sweden, which was already buying about three-fourths of its leaf imports from the United States, may buy even more. U.S. shipments to Sweden climbed steeply in 1960; in the third quarter, Sweden ranked among the top three U.S. markets for unmanufactured leaf.

Ecuador's Cocoa To Pay For Industrial Goods

Over the next 4 years shipments of cocoa from Ecuador to Czechoslovakia will pay for industrial tools and equipment that Ecuador is buying from that country. The agreement, recently signed with several companies in Prague, has a value of \$540,000 which, at present prices, would add up to slightly more than 3 million pounds of cocoa. Last year Ecuador shipped Czechoslovakia 1.16 million pounds of cocoa beans.

New Zealand Eases Import Curbs on Cotton, Tobacco

New Zealand, looking ahead to the completion of its first cotton mill in late 1961, has moved raw cotton from the "C" import license allocation (licenses considered individually) to the "A" list. This means that licenses will be granted for imports of any quantity. U.S. cotton prices are now competitive, and the United States is in a favorable position to supply New Zealand's raw cotton requirements.

Tobacco, a principal U.S. farm export to New Zealand, is now exempt from import licensing, but this exemption merely recognizes actual practice, for under the previous allocation almost all applications were granted.

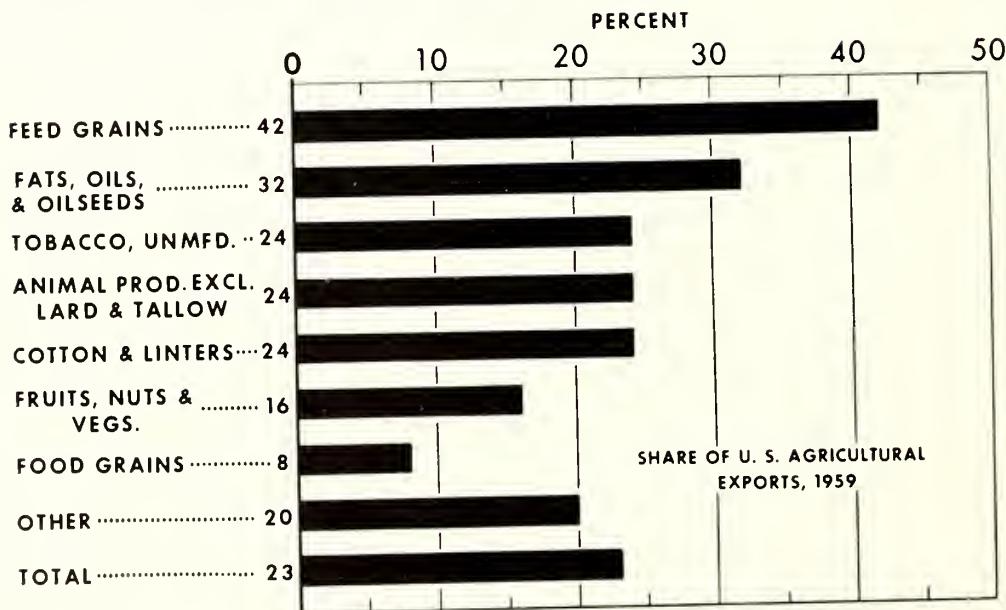
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Common Market* Is Major Buyer Of U. S. Agricultural Products



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